
State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
Product Name:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF		
Project Name/Number:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF		

Filing at a Glance

Company:	Travelers Casualty and Surety Company of America
Product Name:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF
State:	District of Columbia
TOI:	05.0 CMP Liability and Non-Liability
Sub-TOI:	05.0003 Commercial Package
Filing Type:	Rate/Rule
Date Submitted:	09/03/2015
SERFF Tr Num:	TRVE-130232401
SERFF Status:	Submitted to State
State Tr Num:	
State Status:	
Co Tr Num:	2014-12-0058-R-EFF
Effective Date	07/01/2016
Requested (New):	
Effective Date	07/01/2016
Requested (Renewal):	
Author(s):	Socorro Armstrong, Theresa Lavenburg, Timothy Bengston, Sandy J Olson, Linda Sperry, Stacy Mandelker, Julie Stuart
Reviewer(s):	
Disposition Date:	
Disposition Status:	
Effective Date (New):	
Effective Date (Renewal):	

State: District of Columbia **Filing Company:** Travelers Casualty and Surety Company of America

TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package

Product Name: Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF

Project Name/Number: Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF

General Information

Project Name: Investment Advisers and Mutual Funds Portfolio Status of Filing in Domicile:
of Coverages Rate and Rule Filing 2014-12-0058-R-EFF

Project Number: 2014-12-0058-R-EFF

Domicile Status Comments:

Reference Organization:

Reference Number:

Reference Title:

Advisory Org. Circular:

Filing Status Changed: 09/03/2015

State Status Changed:

Deemer Date:

Created By: Linda Sperry

Submitted By: Linda Sperry

Corresponding Filing Tracking Number:

Filing Description:

2014-12-0058-R-EFF

Investment Advisers & Funds Liability Coverages

Commercial Multiple Peril

Rate and Rule Filing

Travelers Casualty and Surety Company of America, 3548-31194, 06-0907370

In compliance with the insurance laws and regulations of your jurisdiction, we respectfully submit the attached filing which consists of our request to change the effective date. This filing was previously approved by your department on March 23, 2015 under our filing number 2014-12-0058-R and SERFF Tracking Number TRVE-129935153.

We would like to propose a new implementation date for this filing to be effective July 1, 2016 for all new and renewal business.

Should you have any questions, please feel free to contact me. Thank you for your consideration of this matter.

Company and Contact

Filing Contact Information

Linda Sperry, Regulatory Analyst
One Tower Square
S202B
Hartford, CT 06183

LSperry1@travelers.com
860-277-7096 [Phone]

Filing Company Information

Travelers Casualty and Surety
Company of America
One Tower Square
2S2B
Hartford, CT 06183
(860) 277-0179 ext. [Phone]

CoCode: 31194
Group Code: 3548
Group Name:
FEIN Number: 06-0907370

State of Domicile: Connecticut
Company Type:
State ID Number:

Filing Fees

Fee Required? No

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
---------------	----------------------	------------------------	--

TOI/Sub-TOI: 05.0 CMP Liability and Non-Liability/05.0003 Commercial Package

Product Name: Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF

Project Name/Number: Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF

Retaliatory? No

Fee Explanation:

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
Product Name:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF		
Project Name/Number:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: Neutral

Overall Percentage of Last Rate Revision: 0.000%

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Travelers Casualty and Surety Company of America	17.200%	0.000%	\$0	5	\$329,083	0.000%	0.000%

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
Product Name:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF		
Project Name/Number:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF		

Rate/Rule Schedule

Item No.	Schedule Item Status	Exhibit Name	Rule # or Page #	Rate Action	Previous State Filing Number	Attachments
1		Investment Advisers and Funds Liability Coverages	55910 DC - Rule Page 1, Rate Pages 1-11, Rate Page 11a, Rate Pages 12-18, Rate Page 19a, Rate Pages 19-20, Rate Pages 21a-21d, Rate Pages 22a-22d, Rate Pages 23a-23d, Rate Pages 24a-24d, Rate Pages 25a,25b, Rate Pages 26-32	New		55910 DC 201502.pdf

Guide(a) General Rules

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INTRODUCTION

These rules are for use with the Investment Advisers & Funds Liability Coverage(s) whether written on a standalone basis or as part of a package.

ELIGIBILITY

Companies meeting underwriting guidelines.

PREMIUM CALCULATION

All rates in this manual are annual, unless otherwise noted. All modification factors are multiplicative, unless otherwise noted.

The premium for insureds with limit of liability in excess of \$1,000,000 will be developed on an individual risk basis as mutually agreed between the insured and the company.

All coverage parts will be rated individually unless otherwise noted.

INTERPOLATION

For Increased Limits and Retentions not shown on the rate pages, use interpolation to determine proper charge.



Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RATE SCHEDULE

Base rates provided for limit of \$1,000,000.

INVESTMENT ADVISERS CHARGE

Cumulative Assets in Millions \$	Rate per Million of Assets
First 250	\$12,000.00 flat charge
Next 500	\$16.00
Next 1,000	\$6.00
Next 5,000	\$2.65
Next 10,000	\$1.55
Next 25,000	\$1.17
Next 50,000	\$0.55
Next 2,000,000	\$0.35
Next 4,000,000	\$0.24
Next 10,000,000	\$0.12
Over 20,000,000	\$0.06

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RATE SCHEDULE (continued)

MUTUAL FUND CHARGE

Cumulative Assets in Millions \$	Rate per Million of Assets
First 250	\$12,500.00 flat charge
Next 500	\$16.00
Next 1,000	\$6.00
Next 5,000	\$2.65
Next 10,000	\$1.55
Next 25,000	\$1.17
Next 50,000	\$0.55
Next 2,000,000	\$0.35
Next 4,000,000	\$0.24
Next 10,000,000	\$0.12
Over 20,000,000	\$0.06

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RATE SCHEDULE (continued)

HEDGE FUND CHARGE

Cumulative Assets in Millions \$	Rate per Million of Assets
First 250	\$13,250.00 flat charge
Next 500	\$18.00
Next 1,000	\$6.60
Next 5,000	\$2.90
Next 10,000	\$1.70
Next 25,000	\$1.30
Next 50,000	\$0.60
Next 2,000,000	\$0.40
Next 4,000,000	\$0.26
Next 10,000,000	\$0.13
Over 20,000,000	\$0.07

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RATE SCHEDULE (continued)

PRIVATE EQUITY CHARGE

Cumulative Assets in Millions \$	Rate per Million of Assets
First 250	\$19,500.00 flat charge
Next 500	\$26.00
Next 1,000	\$10.00
Next 5,000	\$4.00
Next 10,000	\$2.40
Next 25,000	\$1.80
Next 50,000	\$0.85
Next 2,000,000	\$0.55
Next 4,000,000	\$0.35
Next 10,000,000	\$0.18
Over 20,000,000	\$0.09

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****INCREASED LIMIT and RETENTION FACTORS**

Determine the increased limit and retention premium by applying the calculated factor below to the basic premium.

Calculation:

Total limit = limit + retention

Final Factor = factor (total limit) - factor (retention)

For limits greater than 1.5B, calculate the ILF based on the following formula:

$$\text{ILF (limit)} = \{ \text{ILF (1.5B)} - \text{ILF (1.45B)} \} / 50\text{M} \times \{ \text{limits} - 1.5\text{B} \} + \text{ILF (1.5B)}$$

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INCREASED LIMIT and RETENTION FACTORS (continued)

Total Limit or Retention Amount	Factors			
	Assets Under Management (millions)			
	0 - 250	251 - 2,500	2501 - 10,000	10,001 and up
0	-0.100	-0.460	-0.688	-2.112
25,000	-0.044	-0.325	-0.523	-1.838
50,000	0.000	-0.234	-0.426	-1.659
100,000	0.063	-0.140	-0.299	-1.461
150,000	0.102	-0.086	-0.239	-1.310
200,000	0.141	-0.039	-0.182	-1.123
250,000	0.180	0.000	-0.129	-1.031
300,000	0.207	0.027	-0.094	-0.957
400,000	0.328	0.148	-0.037	-0.778
500,000	0.363	0.183	0.000	-0.705
750,000	0.682	0.502	0.392	-0.320
1,000,000	1.000	0.820	0.712	0.000
1,100,000	1.060	0.880	0.772	0.060
1,250,000	1.150	0.970	0.862	0.151
1,500,000	1.300	1.120	1.013	0.302
2,000,000	1.600	1.420	1.315	0.603
3,000,000	2.000	1.820	1.717	1.006
4,000,000	2.250	2.070	1.968	1.257
5,000,000	2.500	2.320	2.219	1.509
6,000,000	2.740	2.560	2.461	1.750
7,000,000	2.980	2.800	2.702	1.991
8,000,000	3.220	3.040	2.943	2.233
9,000,000	3.460	3.280	3.184	2.474
10,000,000	3.700	3.520	3.426	2.716
11,000,000	3.910	3.730	3.637	2.927
12,000,000	4.120	3.940	3.848	3.138
13,000,000	4.330	4.150	4.059	3.349
14,000,000	4.540	4.360	4.270	3.560
15,000,000	4.750	4.570	4.481	3.772

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INCREASED LIMIT and RETENTION FACTORS (continued)

Total Limit or Retention Amount	Factors			
	Assets Under Management (millions)			
	0 - 250	251 - 2,500	2501 - 10,000	10,001 and up
16,000,000	4.910	4.730	4.642	3.932
17,000,000	5.070	4.890	4.803	4.093
18,000,000	5.230	5.050	4.963	4.254
19,000,000	5.390	5.210	5.124	4.415
20,000,000	5.550	5.370	5.285	4.576
21,000,000	5.692	5.512	5.428	4.719
22,000,000	5.834	5.654	5.571	4.862
23,000,000	5.976	5.796	5.714	5.005
24,000,000	6.118	5.938	5.856	5.148
25,000,000	6.261	6.081	5.999	5.291
30,000,000	6.913	6.733	6.655	5.947
40,000,000	8.080	7.900	7.828	7.121
50,000,000	9.116	8.936	8.869	8.163
60,000,000	10.058	9.878	9.816	9.110
70,000,000	10.928	10.748	10.691	9.985
80,000,000	11.742	11.562	11.509	10.803
90,000,000	12.509	12.329	12.279	11.575
100,000,000	13.236	13.056	13.011	12.306
110,000,000	13.930	13.750	13.709	13.005
120,000,000	14.595	14.415	14.377	13.673
130,000,000	15.234	15.054	15.019	14.316
140,000,000	15.851	15.671	15.639	14.936
150,000,000	16.447	16.267	16.238	15.536
160,000,000	17.025	16.845	16.819	16.117
170,000,000	17.585	17.405	17.383	16.681
180,000,000	18.131	17.951	17.931	17.229
190,000,000	18.662	18.482	18.465	17.764
200,000,000	18.924	18.744	18.728	18.027
210,000,000	18.925	18.745	18.729	18.028

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INCREASED LIMIT and RETENTION FACTORS (continued)

Total Limit or Retention Amount	Factors			
	Assets Under Management (millions)			
	0 - 250	251 - 2,500	2501 - 10,000	10,001 and up
220,000,000	18.927	18.747	18.731	18.030
230,000,000	18.928	18.748	18.732	18.031
240,000,000	18.930	18.750	18.734	18.033
250,000,000	18.931	18.751	18.735	18.034
300,000,000	18.938	18.758	18.742	18.041
350,000,000	18.945	18.765	18.749	18.048
400,000,000	18.952	18.772	18.757	18.056
450,000,000	18.960	18.780	18.764	18.063
500,000,000	18.967	18.787	18.771	18.070
550,000,000	18.974	18.794	18.778	18.077
600,000,000	18.981	18.801	18.785	18.084
650,000,000	18.988	18.808	18.792	18.091
700,000,000	18.995	18.815	18.800	18.099
750,000,000	19.002	18.822	18.807	18.106
800,000,000	19.009	18.829	18.814	18.113
850,000,000	19.017	18.837	18.821	18.120
900,000,000	19.024	18.844	18.828	18.127
950,000,000	19.031	18.851	18.835	18.134
1,000,000,000	19.038	18.858	18.843	18.142
1,050,000,000	19.045	18.865	18.850	18.149
1,100,000,000	19.052	18.872	18.857	18.156
1,150,000,000	19.059	18.879	18.864	18.163
1,200,000,000	19.067	18.887	18.871	18.170
1,250,000,000	19.074	18.894	18.878	18.178
1,300,000,000	19.081	18.901	18.886	18.185
1,350,000,000	19.088	18.908	18.893	18.192
1,400,000,000	19.095	18.915	18.900	18.199
1,450,000,000	19.102	18.922	18.907	18.206
1,500,000,000	19.109	18.929	18.914	18.213

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INSURING AGREEMENT FACTOR for INVESTMENT ADVISERS

Apply the appropriate factor below by insuring agreement.

Insuring Agreement	Modification Factor
A. Professional Liability Coverage	1.00
B. Service Provider Liability	0.05



Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INSURING AGREEMENT FACTOR for MUTUAL FUND

Apply the factor below.

Insuring Agreement	Modification Factor
A. Mutual Fund Liability Coverage	1.00
B. Security Holder Derivative Demand Investigation Expense	0.05
C. Supplemental Independent Director Personal Indemnification Coverage	0.05



Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INSURING AGREEMENT FACTOR for HEDGE FUND

Apply the factor below.

Insuring Agreement	Modification Factor
A. Hedge Fund Liability Coverage	1.00



Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

INSURING AGREEMENT FACTOR for PRIVATE EQUITY

Apply the factor below.

Insuring Agreement	Modification Factor
A. Private Equity Coverage	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****INVESTMENT ADVISERS TYPE OF CLIENT**

Client Type	Modification Range
Institutional	0.90
Mutual Funds	0.90
Individual	1.13
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****MUTUAL FUND STRUCTURE**

Fund Structure	Modification Range
Open End	1.00
Closed End	1.50

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****HEDGE FUNDS TYPE OF CLIENT**

Client Type	Modification Range
Institutional	0.90
Individual	1.13
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****PRIVATE EQUITY TYPE OF CLIENT**

Client Type	Modification Range
Institutional	0.90
Individual	1.13
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****ASSETS UNDER MANAGEMENT FOR INVESTMENT ADVISERS**

Asset Categories	Modification Range
Domestic Money Market	0.75
Domestic Fixed Income	1.00
Equities	1.00
Mutual Funds	1.20
Private Fund / Limited Partnerships	1.20
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ASSETS UNDER MANAGEMENT FOR MUTUAL FUNDS

Asset Categories	Modification Range
Domestic Money Market	0.75
Domestic Fixed Income	1.00
ETF (Exchange Traded Funds)	1.00
Equity - Long Term	0.95
Equity - Short Term	1.00
Fund of Funds	1.00
Distressed Securities	1.15
Multi - Strategy	1.10
Macro / Global / International	1.30
Event Driven	1.20
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ASSETS UNDER MANAGEMENT FOR HEDGE FUNDS

Asset Categories	Modification Range
Domestic Money Market	0.75
Domestic Fixed Income	1.00
ETF (Exchange Traded Funds)	1.00
Equity - Long Term	0.95
Equity - Short Term	1.00
Fund of Funds	1.00
Distressed Securities	1.15
Multi - Strategy	1.10
Macro / Global / International	1.30
Event Driven	1.20
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RETRO DATE / CLAIMS MADE MODIFIER

Modify the base rate for the selected amount of Claims Made coverage.
(years in claims made: policy inception date - retro date)

Years in Claims Made	Credit
0	20.0%
1	15.0%
2	10.0%
3	5.0%
greater than 3 (includes policies with no retro date)	0.0%

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****ASSETS UNDER MANAGEMENT FOR PRIVATE EQUITY**

Asset Categories	Modification Range
Venture Capital / Angel / Seed Funds	0.90
Growth Equity	1.00
Real Estate	1.10
Debt / Credit	1.25
Buyout (LBO)	1.75
Private Investment Funds	1.20
Other	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

EXPERIENCE MODIFICATION

Description	Modification Factor
None or Immaterial no losses that have exceeded proposed retention	1.00
Minimal little to no impact on overall earnings or financial conditions - little to no loss paid by carrier	1.15
Material impact on overall earnings or financial condition - carrier paid in excess of retention	1.50
Major significant impact on overall earnings or financial condition - carrier paid significantly in excess of retention	2.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for INVESTMENT ADVISERS

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Operating History	
<u>Above Average</u> Operating for 10+ years	0.90
<u>Average</u> Operating for 3-10 years	1.00
<u>Below Average</u> Operating for less than 3 years	1.10
Scope of Operations	
<u>Above Average</u> Material level of non-US operational exposure.	1.10
<u>Average</u> Primarily Domestic (US) operations, minimal international exposure.	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for INVESTMENT ADVISERS (continued)

	Modification Range
Performance History	
<u>Above Average</u> Strong performance history	0.90
<u>Average</u> Average performance history	1.00
<u>Below Average</u> Poor performance history	1.10
Management Experience	
<u>Below Average</u> Management has below average experience. Qualifications (designations, degrees, etc.) and experience in the investment management industry are limited or subpar.	1.20
<u>Average</u> Stable management team that is qualified for the job, including relevant experience, background, designations, etc.	1.00
<u>Above Average</u> Very strong management team. Team has superior experience and is highly qualified. Track record of success.	0.90

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for INVESTMENT ADVISERS (continued)

	Modification Range
Compliance History and Procedures	
<u>Below Average</u> Below Average compliance history / procedures	1.20
<u>Average</u> Average compliance history / procedures	1.00
<u>Above Average</u> Above average compliance history / procedures	0.90
Fees and Expenses	
<u>Above Average</u> Fee levels or structure are not customary	1.20
<u>Average</u> Fee levels and structure are customary	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for INVESTMENT ADVISERS (continued)

	Modification Range
Professional Service Offerings	
<u>Below Average</u> Material exposure to ancillary services or exposure to unique (non-standard) service offerings.	1.20
<u>Average</u> Standard investment management work is done with small exposure to financial planning and ancillary services	1.00
<u>Above Average</u> Strictly investment management work -- no ancillary service offerings	0.90
Assets Under Management	
<u>Excellent Risk</u> Weighted average AUM risk of between 0.50 and 0.80	0.75
<u>Above Average</u> Weighted average AUM risk of between 0.80 and 0.90	0.85
<u>Average</u> Weighted average AUM risk of between 0.90 and 1.10.	1.00
<u>Below Average</u> Weighted average AUM risk of between 1.10 and 1.40	1.20
<u>High Risk</u> Weighted average AUM risk of between 1.40 and 2.00	1.50
Exposure Risk Factor Overlap in exposure when Investment Adviser coverage purchased in conjunction with Mutual Fund or Hedge Fund.	0.5

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for MUTUAL FUNDS

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Operating History	
<u>Above Average</u> Operating for 10+ years	0.90
<u>Average</u> Operating for 3-10 years	1.00
<u>Below Average</u> Operating for less than 3 years	1.10
Scope of Operations	
<u>Above Average</u> Material level of non-US operational exposure.	1.10
<u>Average</u> Primarily Domestic (US) operations, minimal international exposure.	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia
Filing Number: 2014-12-0058
RISK MODIFICATION FACTORS for MUTUAL FUNDS (continued)

	Modification Range
Performance History	
<u>Above Average</u>	0.90
Strong performance history	
<u>Average</u>	1.00
Average performance history	
<u>Below Average</u>	1.10
Poor performance history	

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for MUTUAL FUNDS (continued)

	Modification Range
Compliance History and Procedures	
<u>Below Average</u> Below Average compliance history / procedures	1.20
<u>Average</u> Average compliance history / procedures	1.00
<u>Above Average</u> Above average compliance history / procedures	0.60
Fees and Expenses	
<u>Above Average</u> Fee levels or structure are not customary	1.20
<u>Average</u> Fee levels and structure are customary	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for MUTUAL FUNDS (continued)

	Modification Range
Professional Service Offerings	
<u>Below Average</u> Material exposure to ancillary services or exposure to unique (non-standard) service offerings.	1.20
<u>Average</u> Standard investment management work is done with small exposure to financial planning and ancillary services	1.00
<u>Above Average</u> Strictly investment management work -- no ancillary service offerings	0.90
Assets Under Management	
<u>Excellent Risk</u> Weighted average AUM risk of between 0.50 and 0.80	0.75
<u>Above Average</u> Weighted average AUM risk of between 0.80 and 0.90	0.85
<u>Average</u> Weighted average AUM risk of between 0.90 and 1.10.	1.00
<u>Below Average</u> Weighted average AUM risk of between 1.10 and 1.40	1.20
<u>High Risk</u> Weighted average AUM risk of between 1.40 and 2.00	1.50
Board Composition / Experience	
Above Average	0.90
Average	1.00
Below Average	1.20

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for HEDGE FUNDS

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Operating History	
<u>Above Average</u> Operating for 10+ years	0.90
<u>Average</u> Operating for 3-10 years	1.00
<u>Below Average</u> Operating for less than 3 years	1.10
Scope of Operations	
<u>Above Average</u> Material level of non-US operational exposure.	1.10
<u>Average</u> Primarily Domestic (US) operations, minimal international exposure.	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for HEDGE FUNDS (continued)

	Modification Range
Performance History	
<u>Above Average</u> Strong performance history	0.90
<u>Average</u> Average performance history	1.00
<u>Below Average</u> Poor performance history	1.10
Management Experience	
<u>Below Average</u> Management has below average experience. Qualifications (designations, degrees, etc.) and experience in the investment management industry are limited or subpar.	1.20
<u>Average</u> Stable management team that is qualified for the job, including relevant experience, background, designations, etc.	1.00
<u>Above Average</u> Very strong management team. Team has superior experience and is highly qualified. Track record of success.	0.90

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for HEDGE FUNDS (continued)

	Modification Range
Compliance History and Procedures	
<u>Below Average</u> Below Average compliance history / procedures	1.20
<u>Average</u> Average compliance history / procedures	1.00
<u>Above Average</u> Above average compliance history / procedures	0.90
Fees and Expenses	
<u>Above Average</u> Fee levels or structure are not customary	1.20
<u>Average</u> Fee levels and structure are customary	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for HEDGE FUNDS (continued)

	Modification Range
Professional Service Offerings	
<u>Below Average</u> Material exposure to ancillary services or exposure to unique (non-standard) service offerings.	1.20
<u>Average</u> Standard investment management work is done with small exposure to financial planning and ancillary services	1.00
<u>Above Average</u> Strictly investment management work -- no ancillary service offerings	0.90
Assets Under Management	
<u>Excellent Risk</u> Weighted average AUM risk of between 0.50 and 0.80	0.75
<u>Above Average</u> Weighted average AUM risk of between 0.80 and 0.90	0.85
<u>Average</u> Weighted average AUM risk of between 0.90 and 1.10.	1.00
<u>Below Average</u> Weighted average AUM risk of between 1.10 and 1.40	1.20
<u>High Risk</u> Weighted average AUM risk of between 1.40 and 2.00	1.50

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia
Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Operating History	
<u>Above Average</u>	0.90
Operating for 10+ years	
<u>Average</u>	1.00
Operating for 3-10 years	
<u>Below Average</u>	1.10
Operating for less than 3 years	
Scope of Operations	
<u>Above Average</u>	1.10
Material level of non-US operational exposure.	
<u>Average</u>	1.00
Primarily Domestic (US) operations, minimal international exposure.	

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY (continued)

	Modification Range
Performance History	
<u>Above Average</u> Strong performance history	0.90
<u>Average</u> Average performance history	1.00
<u>Below Average</u> Poor performance history	1.10
Management Experience	
<u>Below Average</u> Management has below average experience. Qualifications (designations, degrees, etc.) and experience in the investment management industry are limited or subpar.	1.20
<u>Average</u> Stable management team that is qualified for the job, including relevant experience, background, designations, etc.	1.00
<u>Above Average</u> Very strong management team. Team has superior experience and is highly qualified. Track record of success.	0.90

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY (continued)

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Compliance History and Procedures	
<u>Below Average</u> Below Average compliance history / procedures	1.20
<u>Average</u> Average compliance history / procedures	1.00
<u>Above Average</u> Above average compliance history / procedures	0.90
Fees and Expenses	
<u>Above Average</u> Fee levels or structure are not customary	1.20
<u>Average</u> Fee levels and structure are customary	1.00

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia
Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY (continued)

The following factors will be applied based on insured responses to questions in the application, supplements or general underwriter inquiries.

	Modification Range
Professional Service Offerings	
<u>Below Average</u> Material exposure to ancillary services or exposure to unique (non-standard) service offerings.	1.20
<u>Average</u> Standard investment management work is done with small exposure to financial planning and ancillary services	1.00
<u>Above Average</u> Strictly investment management work -- no ancillary service offerings	0.90
Assets Under Management	
<u>Excellent Risk</u> Weighted average AUM risk of between 0.50 and 0.80	0.75
<u>Above Average</u> Weighted average AUM risk of between 0.80 and 0.90	0.85
<u>Average</u> Weighted average AUM risk of between 0.90 and 1.10.	1.00
<u>Below Average</u> Weighted average AUM risk of between 1.10 and 1.40	1.20
<u>High Risk</u> Weighted average AUM risk of between 1.40 and 2.00	1.50

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY (continued)

	Modification Range
Fund Life Cycle	
<u>Above Average</u> Fundraising (funds in years 0-1) -- based on majority of committed capital	0.90
<u>Average</u> Investing (funds in years 1-7) -- based on majority of committed capital	1.00
<u>Below Average</u> Harvesting (funds in years 7+) -- based on majority of committed capital	1.10
Outside Directorship Liability	
<u>Private Only</u> All portfolio companies where they hold board seats or observer seats are privately-held	0.90
<u>Minimal Public</u> Minimal public seat exposure, primarily private company exposure.	1.00
<u>Extensive Public</u> Extensive public company board seat exposure.	1.10
Portfolio Company Relativity Factor	
<u>Above Average</u> Portfolio company exposure is better than peer PE/VC firms.	0.90
<u>Average</u> Portfolio companies present an average exposure.	1.00
<u>Below Average</u> Portfolio companies present a heightened exposure compared to peer PE/VC firms.	1.10

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

RISK MODIFICATION FACTORS for PRIVATE EQUITY (continued)

	Modification Range
Merger and Acquisition	
<u>None or Immaterial</u> None in last 2 years and none expected	0.95
<u>Minimal</u> Number and size of transactions small components of overall operations, industry mix is same as existing operations, significant management experience with M&A	1.00
<u>Moderate</u> Number and size of transactions will impact overall operations, industry mix is complementary to existing operations, some management experience with M&A	1.05
<u>Significant</u> Number and size of transactions will materially impact overall operations, transaction size equal to or exceeds current operations, industry mix differs from current operations, limited management experience with M&A	1.10
Layoffs / Downsizing / Spinoff	
<u>Below Average</u> none	1.00
<u>Average</u> minimal impact on workforce	1.05
<u>Above Average</u> substantial impact on workforce	1.10
Ownership	
<u>No Outside Stakeholders</u> 0% outside	0.95
<u>Outside Minority Stakeholders</u> 1-50% outside	1.00
<u>Outside Majority Stakeholders</u> More than 50% outside stakeholders	1.10
Financial Condition	
<u>Above Average</u> Carries none of the following: negative retained earnings, current fiscal year net loss, carries long term debt.	0.95
<u>Average</u> One of the following: negative retained earnings, current fiscal year net loss, carries long term debt	1.00
<u>Below Average</u> Two of more of the following: negative retained earnings, current fiscal year net loss, carries long term debt	1.10

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****EXPENSE MODIFICATION PLAN**

Apply expense modifier for the account related expense of underwriting and account handling or to reflect higher or lower commissions.

Eligibility:

A risk is eligible for the application of the Expense Modification Plan to the extent that such expense characteristics are not already reflected in the base rates and that any credit or debit developed under this section does not duplicate modification which have been contemplated in any other rating plan or schedule rating modification applied to the same risk.

Rules:

- 1 Document the individual underwriting file to support the application of the expense modifier.
- 2 Maximum modification in rates under this plan shall not exceed +/- 15%.
- 3 The Expense Modification Plan is in addition to any Schedule Rating modifications applicable to the risk provided there is no duplication of credits or debits.

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

SCHEDULE RATING PLAN

An individual risk's exposure may deviate from an average risk. Such differences will be recognized by modifying the final developed premium as determined by the following:

Schedule rating will be applied separately to each coverage part (Investment Advisers, Mutual Funds, Hedge Funds, and Private Equity). The maximums are also applied separately.

Characteristics	Modification Range	
	Credit	Debit
Complexity / Uniqueness of Investment Strategy unusually low/high risk that's not otherwise captured in the investment class breakout	25%	25%
Regulatory Activity Review of and response to exam and deficiency letters	25%	25%
Unique or Unusual Exposure not otherwise captured in scope of operations	25%	25%
Health of Industry (only applicable to Private Equity) health of sector(s) that firm is investing into	25%	25%
Other Services offer other services like broker/dealer activities, or financial planning	0%	25%

The maximum credit / debit is +/- 25%.

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ENDORSEMENTS for INVESTMENT ADVISERS

TRUST SERVICES ENDORSEMENT

Debit
2%

COST OF CORRECTIONS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the combined Limit and Retention factor and (2) the Coverage factor.

Multiply this premium by the following:

- (1) a limit - retention factor based on the Cost of Corrections limit using the Increased Limit and Retention Factor table in this rate manual.
- (2) the Cost of Corrections percent below.

Debit
5%

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ENDORSEMENTS for MUTUAL FUND

COST OF CORRECTIONS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the combined Limit and Retention factor and (2) the Coverage factor.

Multiply this premium by the following:

- (1) a limit - retention factor based on the Cost of Corrections limit using the Increased Limit and Retention Factor table in this rate manual.
- (2) the Cost of Corrections percent below.

Debit
5%

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ENDORSEMENTS for HEDGE FUND

**SECURITY HOLDER DERIVATIVE DEMAND INVESTIGATION EXPENSE COVERAGE
ENDORSEMENT**

Debit
10%

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia

Filing Number: 2014-12-0058

ENDORSEMENTS for PRIVATE EQUITY

COST OF CORRECTIONS

For this coverage, begin with the base premium with all factors applied with the exception of (1) the combined Limit and Retention factor and (2) the Coverage factor.

Multiply this premium by the following:

- (1) a limit - retention factor based on the Cost of Corrections limit using the Increased Limit and Retention Factor table in this rate manual.
- (2) the Cost of Corrections percent below.

Debit
5%

Guide(a) Rates

Travelers Casualty and Surety Company of America

District of Columbia**Filing Number: 2014-12-0058****COINSURANCE**

The coinsurance percent shall be equivalent to the percentage of loss which the insured is self-insuring.

The policy is subject to a maximum final modification factor of 0.85, or a credit of 15%.

$$\text{Final modification factor} = 1 - (0.90) * (\text{coinsurance percent})$$

State:	District of Columbia	Filing Company:	Travelers Casualty and Surety Company of America
TOI/Sub-TOI:	05.0 CMP Liability and Non-Liability/05.0003 Commercial Package		
Product Name:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF		
Project Name/Number:	Investment Advisers and Mutual Funds Portfolio of Coverages Rate and Rule Filing 2014-12-0058-R-EFF/2014-12-0058-R-EFF		

Supporting Document Schedules

Bypassed - Item:	Consulting Authorization
Bypass Reason:	Not applicable
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Certification (P&C)
Comments:	
Attachment(s):	IAMFActuarial Memo 2014-12-0058.pdf IAFL Indications (District of Columbia).pdf
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	Please refer to the Actuarial Certification attachments.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	Please refer to the Actuarial Certification attachments.
Attachment(s):	
Item Status:	
Status Date:	

Travelers Bond and Financial Products
Investment Advisers and Funds Liability
2014-12-0058

Actuarial Memorandum

The Investment Advisers and Funds Liability (IAFL) rating plan is a new rating plan. This new rating plan reflects considerations of our existing programs and consideration of five years of historical experience. The rates in the submitted rate plan were established so as to not be inadequate, excessive, or unfairly discriminatory.

The plan applies to different coverage parts, specifically Investment Advisers, Mutual Funds, Hedge Funds, and Private Equity. These coverages can be purchased individually, or combined. In the past insureds could purchase one or multiple of similar coverages. However, the splits were different – for example, Private Equity was previously two insuring agreements, one for Firms and one for Funds. The existing plan has more overlap between the coverages. All of the changes to the ways we view the coverage parts, the way modifiers apply individually to each coverage part, and the changes to the underlying forms, make this new product significantly different from the existing. Therefore, a comparison from the existing programs to the new is not meaningful or appropriate.

Rating Plan Components

The proposed rating plan takes into account the characteristics of an individual risk and generates an appropriate premium for their IAFL coverage. This section discusses the development of the components of the proposed plan.

Base Premium

The base premium is calculated by using Assets Under Management as the exposure base.

Increased Limits and Retentions

The base premium is modified by the Increased Limit and Retention Factor to arrive at the total limits premium. The factors vary by size of insured.

Other Modifications to Premium

The premium is modified to reflect risk characteristics and policy terms of the individual policy. The rate pages included with this filing describe additional rating steps that modify the base premium. Please note that the modifiers apply individually to each coverage part.

Rate Indication & Loss Ratio Development

The actuarial methodology used compares the historical loss ratio and the permissible loss ratio for the relevant book of business. The historical data is from Saint Paul Mercury Insurance Company business that will be eligible for the new rating plan in Travelers Casualty and Surety Company of America. The historical loss ratio is developed using five years of premium and loss data for the book of business affected by this filing.

The development of the rate indication is detailed in the attached Exhibits. The overall indication is displayed in the State Indication and Countrywide Indication Pages. The state's experience is weighted with countrywide experience based on the credibility shown on the Credibility Exhibit.

The expense factors are based on countrywide data, with the exception of taxes, licenses and fees. This information is displayed in the State Expense and Countrywide Expense Pages.

The development of the profit and contingency load, including a consideration for investment income, is detailed in the State Investment Income and Countrywide Investment Income Pages.

Since there is a limited amount of IAFL loss experience to date for any one state, the loss development for the IAFL book of business is developed on a countrywide basis as shown in Countrywide Incurred Loss and LAE Development Exhibit. This same approach was used in selecting loss trends as shown on the Trend Selections Exhibit.

**District of Columbia Calculation of Rate Change****(Experience evaluated as of 12/31/2014)**

Accident Year	Earned Premium*	Ultimate* L & ALAE**	Trend* Factor to 08/01/2017	Trended Ultimate L & ALAE	Trended Ultimate L & ALAE Ratio
2009	707,441	42,649	1.240	52,896	7.5%
2010	506,848	79,798	1.204	96,068	19.0%
2011	401,931	109,629	1.169	128,112	31.9%
2012	392,404	142,449	1.134	161,573	41.2%
2013	368,715	198,102	1.101	218,111	59.2%
Total	2,377,339	572,627		656,760	27.6%
(1)	State Loss and Allocated Loss Expense Ratio				27.6%
(2)	State Loss and Allocated Loss Expense Ratio loaded for Unallocated Loss Adjustment Expense				30.0%
	Unallocated Loss Adjustment Expense (ULAE)			8.5%	
(3)	Cred-Wtd Countrywide Loss and Allocated Loss Expense Ratio loaded for Unallocated Loss Adjustment Expense (*see Countrywide Indication Exhibit)				68.8%
(4)	State Credibility Factor: (*see Credibility Exhibit) Square Root of (2,377,339 / 3,619,652,221), capped at 1.000				0.026
(5)	State Credibility Weighted Loss and Loss Expense Ratio { (4) x (2) } + { (1.00 - (4)) x (3) }				67.8%
(6)	State Permissible Loss and Loss Expense Ratio (*see Expense Exhibit)				57.9%
(7)	State Indicated Rate Level Change { (5) / (6) } - 1.00				17.2%

*Exhibits Included

**Countrywide IBNR was allocated to state assuming the same distribution as a state's earned premium



Countrywide Calculation of Rate Change

(Experience evaluated as of 12/31/2014)

Accident Year	Earned Premium*	Ultimate* L & ALAE	Trend* Factor to 08/01/2017	Trended Ultimate L & ALAE	Trended Ultimate L & ALAE Ratio
2009	83,341,342	64,899,502	1.240	80,491,704	96.6%
2010	80,430,453	42,489,000	1.204	51,152,247	63.6%
2011	72,202,609	38,040,706	1.169	44,454,449	61.6%
2012	70,885,970	40,635,815	1.134	46,091,271	65.0%
2013	71,162,455	79,278,689	1.101	87,286,007	122.7%
Total	378,022,829	265,343,711		309,475,678	81.9%

(1)	Countrywide Loss and Allocated Loss Expense Ratio	81.9%
(2)	Credibility-Wghtd Countrywide Loss and ALAE Ratio loaded for Unallocated Loss Adjustment Expense: { (1) x (5) + (1-(5)) x (4a) } x (ULAE load)	68.8%
	<i>Unallocated Loss Adjustment Expense (ULAE)</i>	8.5%
(3)	Countrywide Permissible Loss and Loss Expense Ratio (*see Countrywide Expense Exhibit)	57.5%
(4)	Trended Permissible Loss and Loss Expense Ratio (4a) Without ULAE	59.3% 54.6%
(5)	Credibility assigned to Countrywide data (*see Credibility Exhibit)	32.3%
(6)	Cred-Wghtd CW Indic Rate Level Chg (2) / (3) -1	19.6%

*Exhibits Included

District of Columbia Investment Income Exhibit

1) Expenses and Profit Provision:	Nominal Value (NV)	Discount Factor (DFe)	Present Value (PV)
a) Commissions and Brokerage	14.4%	1.030	14.9%
b) General Expenses	5.7%	1.030	5.9%
c) Other Acquisition Expenses	10.9%	1.030	11.2%
d) Taxes, Licenses and Fees	2.0%	1.030	2.1%
<u>e) Unallocated Loss Adjustment Expenses</u>	<u>4.6%</u>	<u>0.979</u>	<u>4.5%</u>
f) Total Expenses { (1a) + (1b) + (1c) + (1d) + (1e) }	37.6%	1.024	38.5%
g) Target Pre-Tax Return on Premium (ROP) - based on 15% Target ROE	14.3%	1.000	14.3%
2) Premium Discount Factor (DFp) { (1.0 + pre-tax ROI)^(1.0 - Prem. Receipt Lag) }			1.030
3) Loss Discount Factor (DFI) { (1.0 + pre-tax ROI)-(Avg. Loss Payment Lag - 1.0) }			0.943
4) Permissible Loss Ratio (PLR) { [(2) - PV(1f) - PV(1g)] / (3) }			53.3%
5) Expected Combined Ratio Under Indicated Rate Change { (4) + NV(1f) }			90.9%
6) Expected Pre-Tax ROP Under Indicated Rate Change { (2) - PV(1f) - (3) x (4) }			14.3%
7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - (5) }			9.1%
8) Investment Income Ratio Under Indicated Rate Change { (6) - (7) }			5.2%
9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }			15.0%

Countrywide Investment Income Exhibit

1) Expenses and Profit Provision:	Nominal Value (NV)	Discount Factor (DFe)	Present Value (PV)
a) Commissions and Brokerage	14.4%	1.030	14.9%
b) General Expenses	5.7%	1.030	5.9%
c) Other Acquisition Expenses	10.9%	1.030	11.2%
d) Taxes, Licenses and Fees	2.3%	1.030	2.4%
<u>e) Unallocated Loss Adjustment Expenses</u>	<u>4.6%</u>	<u>0.979</u>	<u>4.5%</u>
f) Total Expenses { (1a) + (1b) + (1c) + (1d) + (1e) }	37.9%	1.024	38.8%
g) Target Pre-Tax Return on Premium (ROP) - based on 16% Target ROE	14.3%	1.000	14.3%
2) Premium Discount Factor (DFp) { (1.0 + pre-tax ROI)^(1.0 - Prem. Receipt Lag) }			1.030
3) Loss Discount Factor (DFl) { (1.0 + pre-tax ROI)-(Avg. Loss Payment Lag - 1.0) }			0.943
4) Permissible Loss Ratio (PLR) { [(2) - PV(1f) - PV(1g)] / (3) }			52.9%
5) Expected Combined Ratio Under Indicated Rate Change { (4) + NV(1f) }			90.9%
6) Expected Pre-Tax ROP Under Indicated Rate Change { (2) - PV(1f) - (3) x (4) }			14.3%
7) Underwriting Profit Provision Under Indicated Rate Change { 1.0 - (5) }			9.1%
8) Investment Income Ratio Under Indicated Rate Change { (6) - (7) }			5.1%
9) Expected ROE Under Indicated Rate Change { (1.0 - FIT) x (6) x P/S + ROC }			15.0%

**District of Columbia Expense and Profit Provisions**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>3-Year</u>	<u>Selected</u>
1) Commissions	14.1%	14.0%	14.9%	14.4%	14.4%
2) General	5.7%	5.7%	5.1%	5.5%	5.7%
3) Other Acquisition	11.7%	11.1%	9.0%	10.5%	10.9%
4) Taxes, Licenses & Fees	2.3%	2.5%	2.0%	2.3%	2.0%
5) Profit and Contingencies	9.1%	9.1%	9.1%	9.1%	9.1%
6) Total Expenses	42.9%	42.5%	40.1%	41.7%	42.1%

Notes:

(1) - (3): 3-year average from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

(4): 2013 from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

This IEE data is not specific to Financial Institutions Fidelity, but is inclusive of all Fidelity data.

(5): See the attached Investment Income exhibit

(6) = { (1) + (2) + (3) + (4) + (5) }

**Countrywide Expense and Profit Provisions**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>3-Year</u>	<u>Selected</u>
1) Commissions	14.4%	14.4%	14.4%	14.4%	14.4%
2) General	6.2%	5.8%	5.2%	5.7%	5.7%
3) Other Acquisition	12.6%	11.3%	9.3%	10.9%	10.9%
4) Taxes, Licenses & Fees	2.4%	2.7%	2.3%	2.5%	2.3%
5) Profit and Contingencies	9.1%	9.1%	9.1%	9.1%	9.1%
6) Total Expenses	44.8%	43.4%	40.3%	42.6%	42.5%

Notes:

(1) - (3): 3-year average from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

(4): 2013 from the Travelers Casualty and Surety Company of America Insurance Expense Exhibit.

This IEE data is not specific to Financial Institutions Fidelity, but is inclusive of all Fidelity data.

(5): See the attached Investment Income exhibit

(6) = { (1) + (2) + (3) + (4) + (5) }



Trend Selections
(Experience evaluated as of 12/31/2014)

LOSS RATIOS			
Accident Year	Gross EP	Ultimate Losses	Ultimate Loss Ratios
2004	48,535	19,285	39.7%
2005	114,405	37,187	32.5%
2006	133,810	50,243	37.5%
2007	125,085	62,481	50.0%
2008	128,524	119,014	92.6%
2009	129,912	138,786	106.8%
2010	128,861	100,037	77.6%
2011	120,605	98,722	81.9%
2012	119,597	97,022	81.1%
2013	120,998	94,804	78.4%

2-Year	-3.4%
3-Year	-2.2%
4-Year	0.2%
5-Year	-5.6%
All Year	11.4%

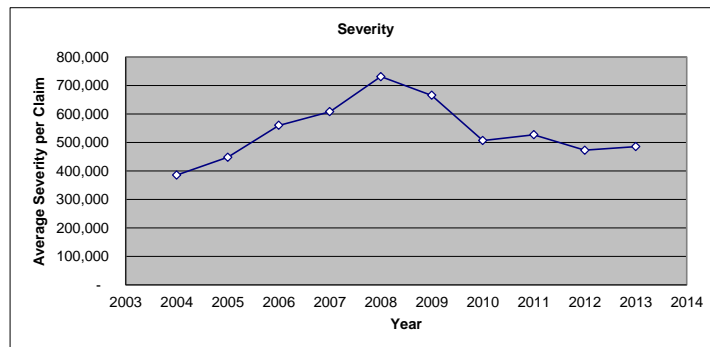
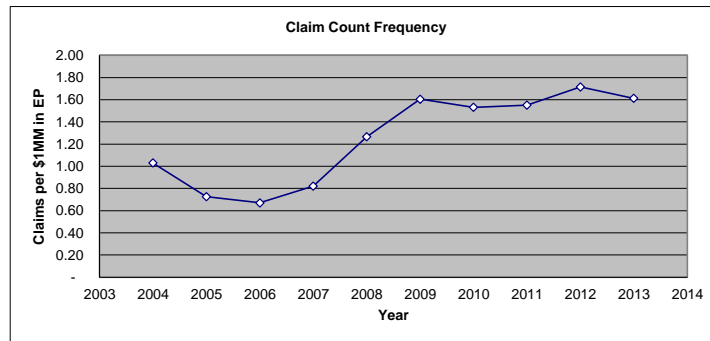
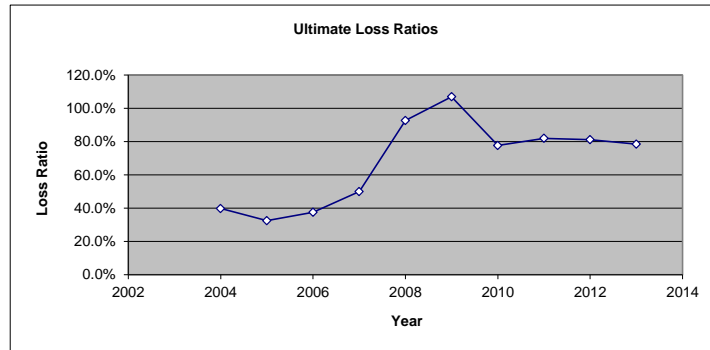
FREQUENCY		
Accident Year	Ultimate Counts	Ultimate Frequency
2004	50	1.03
2005	83	0.73
2006	90	0.67
2007	103	0.82
2008	163	1.27
2009	208	1.60
2010	197	1.53
2011	187	1.55
2012	205	1.72
2013	195	1.61

2-Year	-6.0%
3-Year	2.0%
4-Year	2.6%
5-Year	1.2%
All Year	10.4%

SEVERITY	
Accident Year	Ultimate Severity
2004	385,706
2005	448,031
2006	560,163
2007	608,097
2008	731,207
2009	665,679
2010	506,814
2011	527,645
2012	472,933
2013	485,753

2-Year	2.7%
3-Year	-4.1%
4-Year	-2.3%
5-Year	-6.8%
All Year	0.9%

SELECTED	Frequency	Severity	Loss Ratio
Selected Historical	2.0%	1.0%	3.0%
Selected Prospective	1.0%	1.0%	2.0%



Summary of Trend Factors				
Current Evaluation Date: 12/31/2014				
Proposed Effective Date: 08/01/2016				
Trend Date: 08/01/2017				
Year	Trend to Current Years	Trend to Current Factors	Trend to Future Years	Trend Factors
2004	10.5	1.367	2.6	1.439
2005	9.5	1.327	2.6	1.397
2006	8.5	1.288	2.6	1.356
2007	7.5	1.250	2.6	1.316
2008	6.5	1.214	2.6	1.278
2009	5.5	1.178	2.6	1.240
2010	4.5	1.143	2.6	1.204
2011	3.5	1.110	2.6	1.169
2012	2.5	1.077	2.6	1.134
2013	1.5	1.046	2.6	1.101



Travelers Casualty and Surety Company of America
Countrywide Gross Total Incurred Loss - Financial Institutions Other Liability
Unlimited Loss & ALAE (000s)

AY	Evaluation Month																		
	12	24	36	48	60	72	84	96	108	120	132	144	156	168	180	192	204	216	228
1995	1,391	1,446	2,510	1,688	1,710	1,718	1,718	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719	1,719
1996	2,709	2,402	2,531	3,112	3,054	3,882	3,862	3,881	3,774	3,781	3,691	3,743	3,702	3,225	3,225	3,225	3,225	3,225	3,225
1997	1,168	1,326	2,233	2,748	2,776	2,776	2,779	2,779	3,364	3,311	3,311	3,411	10,130	4,785	4,785	4,785	4,785	4,785	4,785
1998	2,005	3,159	3,787	3,907	3,938	4,150	4,134	4,144	13,722	13,722	13,722	13,722	18,760	17,961	17,961	17,961	17,961	17,961	17,961
1999	862	5,553	11,093	35,429	36,747	36,678	36,769	37,824	37,863	37,317	41,227	46,282	45,823	45,927	45,927	45,927	45,927	45,927	45,927
2000	1,217	4,380	17,205	24,956	26,471	26,597	29,228	30,123	33,555	33,724	34,402	37,798	37,790	37,790	37,768	37,768	37,768	37,768	37,768
2001	6,863	13,526	42,787	43,586	28,046	54,906	53,969	54,498	65,165	71,880	71,415	67,616	67,615	67,619	67,619	67,619	67,619	67,619	67,619
2002	8,744	9,645	41,442	40,818	62,682	82,033	82,117	82,216	84,926	108,501	110,219	105,118	103,077	67,619	67,619	67,619	67,619	67,619	67,619
2003	4,003	14,123	29,537	59,372	67,703	71,142	75,369	75,512	70,474	70,216	70,300	70,265	70,265	70,265	70,265	70,265	70,265	70,265	70,265
2004	1,635	6,801	10,519	9,289	9,369	9,441	9,412	9,653	9,518	9,317	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920	12,920
2005	7,540	24,028	30,379	35,632	36,280	47,007	39,598	40,076	40,021	39,565	39,565	39,565	39,565	39,565	39,565	39,565	39,565	39,565	39,565
2006	8,384	22,762	25,204	27,608	32,817	68,540	71,155	69,012	56,101	56,101	56,101	56,101	56,101	56,101	56,101	56,101	56,101	56,101	56,101
2007	4,030	9,846	26,496	30,685	39,749	57,025	58,818	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833	58,833
2008	18,166	51,742	76,192	84,132	92,525	97,474	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077	101,077
2009	7,189	62,137	71,996	87,390	98,910	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215	107,215
2010	6,710	16,533	45,261	57,561	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750	68,750
2011	6,665	25,208	33,871	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940	45,940
2012	6,525	15,665	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333	32,333
2013	27,377	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415	51,415
2014	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895	6,895

Loss Development Factors

AY	Evaluation Month																		
	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-Ult
1995	1.039	1.736	0.672	1.013	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1996	0.887	1.054	1.230	0.981	1.271	0.995	1.005	0.973	1.002	0.976	1.014	0.989	0.871	1.000	1.000	1.000	1.000	1.000	1.000
1997	1.135	1.684	1.231	1.010	1.000	1.001	1.000	1.210	0.984	1.000	1.030	2.969	0.472	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.575	1.199	1.031	1.008	1.054	0.996	1.002	3.311	1.000	1.000	1.000	1.367	0.957	1.000	1.000	1.000	1.000	1.000	1.000
1999	6.445	1.997	3.194	1.037	0.998	1.002	1.029	1.001	0.986	1.105	1.123	0.990	1.002	1.000	1.000	1.000	1.000	1.000	1.000
2000	3.600	3.928	1.450	1.061	1.005	1.099	1.031	1.114	1.005	1.020	1.099	1.000	0.999	1.000	1.000	1.000	1.000	1.000	1.000
2001	1.971	3.163	1.019	0.643	1.958	0.983	1.010	1.196	1.103	0.994	0.947	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2002	1.103	4.297	0.985	1.536	1.309	1.001	1.001	1.033	1.278	1.016	0.954	0.981	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2003	3.528	2.091	2.010	1.140	1.051	1.059	1.002	0.933	0.996	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2004	4.160	1.547	0.883	1.009	1.008	0.997	1.026	0.986	0.979	1.387	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2005	3.187	1.264	1.173	1.018	1.296	0.842	1.012	0.999	0.989	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2006	2.715	1.107	1.095	1.189	2.089	1.038	0.970	0.813	0.989	0.989	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2007	2.443	2.691	1.158	1.295	1.435	1.031	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2008	2.848	1.473	1.104	1.100	1.053	1.037	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
2009	8.644	1.159	1.214	1.132	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084	1.084
2010	2.464	2.738	1.272	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194	1.194
2011	3.782	1.344	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356	1.356
2012	2.401	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064	2.064
2013	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878	1.878

Averages

3 Year	2.687	2.048	1.281	1.142	1.191	1.036	0.994	0.933	0.988	1.135	0.967	0.993	1.001	1.000	1.000	1.000	1.000	1.000	1.000
5 Year	3.834	1.755	1.221	1.182	1.391	0.989	1.002	0.953	1.069	1.083	1.024	1.068	0.886	1.000	1.000	1.000	1.000	1.000	1.000
5 Year xHILO	2.882	1.627	1.215	1.172	1.271	1.022	1.005	0.973	1.029	1.012	1.017	0.997	0.986	1.000	1.000	1.000	1.000	1.000	1.000
7 Year xHILO	2.788	1.746	1.184	1.127	1.184	1.021	1.005	1.013	1.016	1.028	1.016	1.069	0.966	1.000	1.000	1.000	1.000	1.000	1.000
2 Year W.A.	1.979	1.620	1.308	1.157	1.069	1.035	0.984	0.881	0.987	1.046	0.972	0.988	1.000	1.000	1.000	1.000	1.000	1.000	1.000
3 Year W.A.	2.275	1.942	1.263	1.136	1.132	1.036	0.990	0.890	0.992	1.029	0.965	0.990	1.001	1.000	1.000	1.000	1.000	1.000	1.000
4 Year W.A.	2.302	1.535	1.210	1.155	1.251	1.002	0.992	0.907	1.111	1.019	0.981	0.990	0.996	1.000	1.000	1.000	1.000	1.000	1.000
5 Year W.A.	3.139	1.516	1.204	1.158	1.256	1.002	0.995	0.944	1.109	1.019	0.999	1.009	0.966	1.000	1.000	1.000	1.000	1.000	1.000

	12-24	24-36	36-48	48-60	60-72	72-84	84-96	96-108	108-120	120-132	132-144	144-156	156-168	168-180	180-192	192-204	204-216	216-228	228-Ult
Selected	2.687	1.755	1.221	1.182	1.184	0.989	1.002	0.953	1.069	1.083	1.024	1.068	0.886	1.000	1.000	1.000	1.000	1.000	1.000
Cumulative	8.538	3.178	1.810	1.483	1.255	1.060	1.071	1.069	1.122	1.050	0.969	0.946	0.886	1.000	1.000	1.000	1.000	1.000	1.000

**Credibility Exhibit****Part A: Calculation of Full Credibility Standard**(1) Unadjusted Claim Count Full Credibility Standard: **1,082**

P	k		
	10.0%	7.5%	5.0%
0.900	271	481	1,082
0.950	384	683	1,537
0.980	541	962	2,165
0.990	664	1,180	2,654

Part B: Calculation of Historical Frequency(2) Ultimate Claim Count: **113**(3) Earned Premium: **378,022,829**(4) Historical Frequency $\{(2)/(3)\} \times 1,000,000$: **0.3**(5) Premium Credibility Standard $\{(1)/(4) \times 1,000,000\}$: **3,619,652,221****(6) Countrywide Credibility $\{[(3)/(5)]^{.5}\}$: **0.32****

Note: The credibility standard is converted to an earned premium standard rather than a claim count standard by dividing the claim count by the historical claim frequency. This conversion is done so states are not penalized for experiencing low frequency.